## BEFORE THE ARIZONA CORPORATION COMMISSION

BOB STUMP Chairman

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GARY PIERCE

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Commissioner
BRENDA BURNS

Arizona Corporation Commission

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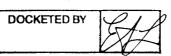


SUSAN BITTER SMITH Commissioner

Commissioner

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BOB BURNS Commissioner



IN THE MATTER OF THE
APPLICATION OF CHAPARRAL CITY
WATER COMPANY FOR A
DETERMINATION OF THE CURRENT
FAIR VALUE OF ITS UTILITY PLANT
AND PROPERTY AND FOR
INCREASE IN ITS RATES AND
CHARGES BASED THEREON

DOCKET NO. W-02113A-13-0118

CHAPARRAL CITY WATER COMPANY'S REQUEST FOR ORDER NUNC PRO TUNC

Through this filing, Chaparral City Water Company ("CCWC") respectfully requests that Decision No. 74568 (the "Decision") be amended *nunc pro tunc* to address certain clerical errors in the Decision. Based on its review of the Decision, CCWC has determined that the rate design in the Decision under-recovers the authorized revenue by approximately \$250,000 and as a result does not allow CCWC to recover it authorized rate of return. CCWC requests that the Commission amend the Decision to include rates that allow CCWC to recover its authorized revenue requirement and rate of return. \(^1\)

CCWC also notes the following clerical errors that it requests the Commission address in a revised Exhibit C to the Decision:

Rates authorized by the Commission must be sufficient to produce the authorized rate of return on the utility's fair value rate base. See, e.g., Consolidated Water Utilities, Ltd. v. Ariz. Corp. Comm'n, 178 Ariz 478, 484-85, 875 P.2d 137, 143-44(App. 1994) (finding that rates producing less annual revenue than authorized, were "unreasonable and unlawful.").

- 1. The rates set forth in Exhibit C of the Decision do not include the \$0.0573 per kgal charge for residential and commercial customers for purposes of funding the low income program. CCWC requests that charged be delineated separately on Exhibit C.
- 2. CCWC requests that the commodity charges by meter size as set forth in Exhibit C of the Decision state "Residential and Commercial Classes" rather than "All Classes". In addition, the heading for "Irrigation and Hydrants-All Meter Sizes" should be revised to read "Irrigation, Hydrants and Fire Sprinklers". These revisions will avoid confusion and provide clarity for the tariff to be filed by CCWC.
- 3. The service line charge for the 1 1/2 inch meter should be \$470 rather than \$570. The \$470 is the amount proposed by Commission Staff and accepted by CCWC and would correctly lead to the total amount of \$837.

Given that these amendments to the Decision do not affect the authorized revenue requirement, these changes to rate design should be treated as a computational error that CCWC submits may be corrected by a procedural order. If, however, these computational errors are not corrected by procedural order and must await approval at a later Open Meeting, CCWC requests that the Commission approve these corrected rates immediately, or in the alternative, approve a limited surcharge to address the shortfall in revenue that it will receive as a result of the current rate design. If the proper rate design is corrected no later than the Commission's July 22-23 Open Meeting, CCWC will waive its legal right to this additional revenue (*i.e.*, will not seek this surcharge or other mechanism to address this shortfall). However, if approval an amendment is delayed beyond such date, CCWC requests that the Commission approve a limited surcharge so that it may recover the difference between the rates approved in the Decision and effective as of July 1, 2014 and the proper rates that will allow CCWC to recover its authorized revenue requirement. Further, in the amended decision, CCWC requests that

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the modified rates be effective immediately upon the effective date of the amended 1 decision and that the revised rates apply to "all bills issued after such effective date." 2 RESPECTFULLY SUBMITTED this 25th day of June, 2014. 3 LEWIS ROCA ROTHGERBER, LLP 5 6 Thomas H. Campbell Michael T. Hallam 7 201 E. Washington, Suite 1200 Phoenix, Arizona 85004 8 Attorneys Chaparral City Water Company 9 ORIGINAL and thirteen (13) copies of the foregoing filed this 25th day of June, 2014, with: 10 11 The Arizona Corporation Commission 12 Utilities Division – Docket Control 1200 W. Washington Street 13 Phoenix, Arizona 85007 14 Copy of the foregoing hand-delivered this 25th day of June, 2014, to: 15 Steve Olea **Utilities Division** 16 Arizona Corporation Commission 1200 W. Washington Street 17 Phoenix, Arizona 85007 18 Lyn Farmer 19 || Chief Administrative Law Judge, Commissioner Gary Pierce Arizona Corporation Commission **Hearing Division** Arizona Corporation Commission 1200 W. Washington Street 20 | Phoenix, AZ 85007 1200 West Washington Street Phoenix, AZ 85007 21 Commissioner Brenda Burns **Arizona Corporation Commission** 22 Janice Alward, Chief Counsel 1200 W. Washington Street Legal Department Arizona Corporation Commission Phoenix, AZ 85007 23

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